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Financial Report

(Reviewed)

***Janyce D. Degan, Assessor
6th Municipal District,
Parish of Orleans***

December 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-13-05

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December 31, 2004

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FINANCIAL SECTION



Bourgeois Bennett

ACCOUNTANT'S REVIEW REPORT

Janyce D. Degan, Assessor
6th Municipal District, Parish of Orleans
New Orleans, Louisiana.

We have reviewed the accompanying basic financial statements of the governmental activities of Janyce D. Degan, Assessor 6th Municipal District, Parish of Orleans (the Assessor), as of and for the year ended December 31, 2004, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of Janyce D. Degan, Assessor 6th Municipal District, Parish of Orleans.

A review consists principally of inquires of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

As described in Note 1a to the basic financial statements, the Assessor has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments, as of January 1, 2004.

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in Management's Discussion and Analysis on pages 3 through 8 is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated May 12, 2005, on the results of our agreed-upon procedures.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
May 12, 2005.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Janyce D. Degan, Assessor 6th Municipal District, Parish of Orleans

The Management's Discussion and Analysis of Janyce D. Degan, Assessor 6th Municipal District, Parish of Orleans's (the Assessor) financial performance presents a narrative overview and analysis of the Assessor's financial activities for the year ended December 31, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Assessor's assets exceeded its liabilities at the close of the fiscal year by \$79,394 (net assets), which represent a 5.71% decrease from last fiscal year.

The Assessor's revenues increased \$11,918 (or 4.79%) due to an increase in compensation form taxing bodies.

The Assessor's expenses increased \$22,906 (or 9.43%) due to a new auto lease and travel.

The Assessor did not have any funds with deficit fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Assessor's basic financial statements. The Assessor's financial report consists of three parts: (1) management's discussion and analysis (this section), (2) basic financial statements, and (3) special reports by certified public accountants and management.

The basic financial statements include two kinds of statements that present different views of the Assessor:

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Assessor's finances, in a manner similar to a private sector business. The statement of net assets presents information on all of the Assessor's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Assessor is improving or deteriorating. The statement of activities presents information showing how the Assessor's net assets change during each

Government-wide Financial Statements (Continued)

fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Assessor is to assess all real and movable property that is subject to ad valorem taxes in the Assessor's district.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Assessor are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Assessor maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund. The Assessor adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 9 - 13 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the Assessor's financial position. As of December 31, 2004, assets exceeded liabilities by \$79,394. Since this is the first year to report all activities on the accrual basis of accounting, a comparison to the prior year is not possible. However, in future years, this section will explain the differences between the current and prior-year assets, liabilities and changes in net assets. A portion of the Assessor's net assets (8.68%) reflects its investment in capital assets (e.g., office furniture, fixtures and equipment). Consequently, these assets are not available for future spending.

Condensed Statement of Net Assets

Current and other assets	\$72,505
Capital assets	<u>6,889</u>
Total assets	<u>79,394</u>
Net Assets:	
Invested in capital assets	6,889
Unrestricted	<u>72,505</u>
Total net assets	<u>\$79,394</u>

Governmental Activities

Again, because this is the first year to report governmental activities on the accrual basis of accounting, a comparison to the prior year is not possible. However, in next year's discussion this section will show a condensed financial comparison of revenues and expenses and provide explanations for significant differences.

Governmental Activities (Continued)

Governmental activities decreased the Assessor's net assets by \$4,805. Key elements of this decrease are:

Condensed Change in Net Assets

Revenues:	
Intergovernmental	\$260,230
Interest income	<u>707</u>
Total revenues	<u>260,937</u>
Expenses:	
General and governmental - taxation	<u>265,742</u>
Total expenses	<u>265,742</u>
Decrease in net assets	(4,805)
Net assets beginning of year	<u>84,199</u>
Net assets end of year	<u>\$ 79,394</u>

On Exhibit C, the Assessor's expenses fall into six (6) categories: personal services and related benefits, materials and supplies, other services and charges, travel and other charges, miscellaneous and depreciation. Of the six categories, personal services and related benefits make up the majority of expenses. This category, which includes salaries, payroll tax and benefits, is responsible for \$205,757, or seventy-seven percent (77%), of total expenses for the year ended December 31, 2004. Other categories of expenses account for twenty-three percent (23%) of total expenses for the year ended December 31, 2004.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Assessor uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Assessor's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Assessor's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Assessor's governmental fund, the General Fund, reported an ending fund balance of \$65,277, a decrease of \$13,622 in comparison with the prior year, which is available for spending at the Assessor's discretion.

General Fund Budgetary Highlights

The budget was amended once during the year. The primary reasons for amending the budget were to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- To adjust the amounts expected as compensation for taxing bodies.

Expenditures

- Increased other services and charges by \$15,000 for a new auto lease.
- Increased travel and other charges by \$7,000 for attendance at a conference.

During the year, revenues and expenditures exceeded budgetary estimates.

CAPITAL ASSETS

Capital Assets

The Assessor's investment in capital assets for its governmental activities as of December 31, 2004, amounts to \$6,889 (net of accumulated depreciation). This investment in capital assets includes office furniture, fixtures and equipment (see table below).

	<u>2004</u>	<u>2003</u>
Office furniture, fixtures and equipment	<u>\$18,630</u>	<u>\$38,620</u>

The major capital asset event during the current fiscal year was the purchase of three new computers.

Additional information on the Assessor's capital assets can be found in the Note 4, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Assessor considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Revenues were budgeted on the assumption that compensation from taxing bodies will decrease.
- Payroll and payroll taxes will not increase.
- All other expenses were budgeted based on the assumption that expenses would increase in 2005.
- The fund balance will decrease as explained above.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Assessor's finances for all those with an interest in the Assessor's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Janyce D. Degan, Assessor 6th Municipal District, Parish of Orleans, Room 4E01 City Hall, New Orleans, LA 70112.

**STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUND BALANCE SHEET**

Janyce D. Degan, Assessor 6th Municipal District, Parish of Orleans

December 31, 2004

(See Accountant's Review Report)

	<u>General Fund</u>	<u>Adjustments (Exhibit B)</u>	<u>Statement of Net Assets</u>
Assets			
Cash	\$ 23,032	\$ -	\$ 23,032
Investments	35,923	-	35,923
Due from Orleans Parish Board of Assessors	6,322	-	6,322
Prepaid auto lease	-	7,228	7,228
Capital assets, net of accumulated depreciation	-	6,889	6,889
Total assets	<u>\$ 65,277</u>	<u>14,117</u>	<u>79,394</u>
Fund Balance / Net Assets			
Fund balance - unreserved	<u>\$ 65,277</u>	<u>(65,277)</u>	<u>-</u>
Total fund balance	<u>\$ 65,277</u>	<u>(65,277)</u>	<u>-</u>
Net assets:			
Invested in capital assets		6,889	6,889
Unrestricted		<u>72,505</u>	<u>72,505</u>
Total net assets		<u>\$ 79,394</u>	<u>\$ 79,394</u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

Janyce D. Degan, Assessor 6th Municipal District, Parish of Orleans

December 31, 2004

(See Accountant's Review Report)

Fund Balance - Governmental Fund	\$ 65,277
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Amounts reported for governmental activities in
the statement of net assets are different because:

Capital assets used in governmental activities
are not financial resources and, therefore,
are not reported in the governmental fund.

Governmental capital assets	\$ 18,630	
Less accumulated depreciation	<u>(11,741)</u>	6,889

Other assets used in governmental activities
are not financial resources and, therefore,
are not reported in the governmental funds:

Prepaid auto lease		<u>7,228</u>
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Net Assets of Governmental Activities	<u>\$ 79,394</u>
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See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

Janyce D. Degan, Assessor 6th Municipal District, Parish of Orleans

For the year ended December 31, 2004

(See Accountant's Review Report)

	<u>General Fund</u>	<u>Adjustments (Exhibit D)</u>	<u>Statement of Activities</u>
Revenues			
Intergovernmental revenue:			
Compensation from taxing bodies	\$ 260,230	\$ -	\$ 260,230
Interest income	<u>707</u>	<u>-</u>	<u>707</u>
Total revenues	<u>260,937</u>	<u>-</u>	<u>260,937</u>
Expenditures			
Current:			
General and governmental:			
Personal services and related benefits	205,757	-	205,757
Materials and supplies	9,567	-	9,567
Other services and charges	27,914	(7,228)	20,686
Travel and other charges	9,808	-	9,808
Miscellaneous	18,190	-	18,190
Depreciation	<u>-</u>	<u>1,734</u>	<u>1,734</u>
Total general government	<u>271,236</u>	<u>(5,494)</u>	<u>265,742</u>
Capital outlay	<u>3,323</u>	<u>(3,323)</u>	<u>-</u>
Total expenditures/expenses	<u>274,559</u>	<u>(8,817)</u>	<u>265,742</u>
Excess of Expenditures Over Revenues	(13,622)	13,622	-
Change in Net Assets	-	(4,805)	(4,805)
Fund Balance			
Beginning of year	<u>78,899</u>	<u>5,300</u>	<u>84,199</u>
End of year	<u>\$ 65,277</u>	<u>\$ 14,117</u>	<u>\$ 79,394</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES**

Janyce D. Degan, Assessor 6th Municipal District, Parish of Orleans

For the year ended December 31, 2004

(See Accountant's Review Report)

Net Change in Fund Balance - Governmental Fund **\$ (13,622)**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 3,323	
Depreciation expense	<u>(1,734)</u>	1,589

Some expenditures reported in governmental funds resulting from the use of current resources are allocated over subsequent periods in the statement of activities:

Prepaid auto lease		<u>7,228</u>
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Change in Net Assets of Governmental Activities **\$ (4,805)**

See notes to financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND

Janyce D. Degan, Assessor 6th Municipal District, Parish of Orleans

For the year ended December 31, 2004

(See Accountant's Review Report)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Intergovernmental revenue:				
Compensation from taxing bodies	\$ 240,000	\$ 242,000	\$ 260,230	\$ 18,230
Interest income	<u>600</u>	<u>600</u>	<u>707</u>	<u>107</u>
Total revenues	<u>240,600</u>	<u>242,600</u>	<u>260,937</u>	<u>18,337</u>
Expenditures				
Current:				
General and governmental - taxation:				
Personal services and related benefits	205,600	205,600	205,757	(157)
Materials and supplies	9,000	10,800	9,567	1,233
Other services and charges	12,800	27,800	27,914	(114)
Travel and other charges	3,000	10,000	9,808	192
Miscellaneous	<u>14,400</u>	<u>15,100</u>	<u>18,190</u>	<u>(3,090)</u>
Total general government	<u>244,800</u>	<u>269,300</u>	<u>271,236</u>	<u>(1,936)</u>
Capital outlay	<u>1,000</u>	<u>500</u>	<u>3,323</u>	<u>(2,823)</u>
Total expenditures	<u>245,800</u>	<u>269,800</u>	<u>274,559</u>	<u>(4,759)</u>
Excess of Expenditures Over Revenues	(5,200)	(27,200)	(13,622)	13,578
Fund Balance				
Beginning of year	<u>75,800</u>	<u>78,900</u>	<u>78,899</u>	<u>(1)</u>
End of year	<u>\$ 70,600</u>	<u>\$ 51,700</u>	<u>\$ 65,277</u>	<u>\$ 13,577</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Janyce D. Degan, Assessor 6th Municipal District, Parish of Orleans

December 31, 2004

(See Accountant's Review Report)

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, there shall be seven assessors in New Orleans who shall compose the Board of Assessors for Orleans Parish. One Assessor shall be elected from each municipal district of New Orleans, and each shall be a resident of the district from which elected. The assessors shall be elected at the same time as the municipal officers of New Orleans, for terms of four years each. In the event a vacancy occurs in any one of the seven assessors' offices, the Board of Assessors shall appoint an interim assessor for the unexpired term.

The assessors assess all real and movable property that is subject to ad valorem taxation located in their district. Assessors are authorized to appoint as many deputies as may be necessary for efficient operation of the office and provide assistance to the taxpayers in his/her district. The deputies are authorized to perform all functions of the office, but the assessors are officially and pecuniarily responsible for the actions of the deputies.

For financial reporting purposes, the financial statements of Janyce D. Degan, Assessor 6th Municipal District, Parish of Orleans (the Assessor) include all funds, account groups, activities, et cetera that are controlled by the Assessor as an independently elected parish official. The activities of other independently elected parish officials, and municipal level governments are not included within the accompanying financial statements as they are considered autonomous governments. These units of government issue financial statements separate from that of the parish assessors.

The accounting policies of the Assessor conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Change in Accounting

In June 1999, GASB unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. One of the more significant changes in Statement No. 34 include for the first time a Management's Discussion and Analysis (MD&A) section providing an analysis of the Assessor's overall financial position and results of operations and financial statements prepared using full accrual accounting for all of the Assessor's activities. The Assessor has presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements. Other changes are also reflected in the accompanying basic financial statements (including notes to financial statements). The Assessor has elected to implement the general provisions of Statement No. 34 in the current year.

For the year ended December 31, 2004, the Assessor also implemented the following GASB Standards:

- Statement 37 - Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus
- Statement 38 - Certain Financial Statement Disclosures
- Interpretation No. 6 - Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements

The transition from governmental fund balance to net assets for December 31, 2003, is presented below:

Total fund balance, as previously reported		\$78,899
Capital assets used in governmental activities are not financial resources and, therefore were not previously reported.		
Governmental capital assets	\$ 38,620	
Less accumulated depreciation	<u>(33,320)</u>	<u>5,300</u>
Net assets		<u>\$84,199</u>

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation

The Assessor's basic financial statements consist of the government-wide statements on all activities of the Assessor and the governmental fund financial statements.

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the Assessor. The government-wide presentation focuses primarily on the sustainability of the Assessor as an entity and the change in aggregate financial position resulting from the activities for the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. Emphasis is now on major funds. The daily accounts and operations of the Assessor continue to be organized on the basis of a fund and accounts group, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the Governmental Fund of the Assessor:

General Fund

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the operating fund and is the only fund of the Assessor. A special taxing district was created by the Legislature for the purpose of funding the Board of Assessors of Orleans Parish. The District shall levy a tax on the assessed valuation of all taxable property on the tax rolls. The Board of Assessors allocates the tax collected to each Orleans Parish Assessor based on the size and activity in each district. The Assessor uses these funds for general operating expenditures.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation (Continued)

General Fund (Continued)

At December 31, 2004, real and movable property assessments totaled \$260,559,140 and \$32,668,053 respectively. This represents an increase of \$21,565,853 in the total value of assessments. This increase was due primarily to the increase in value of real property assessments during the year.

c. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government’s availability criteria (susceptible to accrual). Available means that the resources will

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued):

be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the Assessor considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Miscellaneous revenues are recorded as revenues when received in cash by the Assessor because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

d. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

e. Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Assessor adopted a budget for the Assessor's General Fund. The Assessor, as allowed by state law, does not obtain public participation in the budget process. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Assessor. The Assessor amended its budget one time for 2004. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

f. Accounts Receivable

The basic financial statements for the Assessor contain no allowance for uncollectible accounts. Uncollectible amounts due are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the fund.

g. Investments

Investments consist of deposits in the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than market value to report net assets to complete share prices if certain conditions are not met.

h. Capital Assets

The accounting treatment over plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

**Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

h. Capital Assets (Continued)

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Office furniture, fixtures and equipment	5 - 10 years
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Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

i. Vacation and Sick Leave

Accumulated vacation and sick leave is recorded as an expenditure of the period in which paid in the Governmental Funds.

Each employee, after one year of service, is entitled to two weeks vacation. There is no program for the accumulating or vesting of vacation time. The Assessor does not have a formal sick leave policy.

There is no material accumulated vacation and sick leave at December 31, 2004.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Fund Equity

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets."

When both restricted and unrestricted resources are available for use, it is the Assessor's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2004 and for the year then ended, the Assessor did not have or receive restricted net assets.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

Note 2 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investment contracts and investment grade (A-1/P-2) commercial paper of domestic corporations.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Deposits:

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the Assessor or its agent in the Assessor's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the Assessor's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agent but not in the Assessor's name and deposits which are uninsured or uncollateralized.

The year-end bank balance is as follows:

	Bank Balances			
	Category			Book
	1	2	3	Balance
Cash	\$23,104	\$ -	\$ -	\$23,032

At December 31, 2004, cash was not in excess of the FDIC insurance.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments:

Investments held at December 31, 2004 consist of \$35,923 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section I50.126, the investment in LAMP at December 31, 2004 is not categorized in the three risk categories provided by GASB Codification Section I50.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Note 3 - DUE FROM ORLEANS PARISH BOARD OF ASSESSORS

Amounts due from Orleans Parish Board of Assessor at December 31, 2004 of \$6,322 consisted of compensation from taxing bodies for 2004 received in 2005.

Note 4 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004 was as follows:

	Balance January 1, <u>2004</u>	<u>Additions</u>	<u>Dispositions</u>	Balance December 31, 2004
Capital assets being depreciated:				
Office furniture, fixtures and equipment	\$38,620	\$ 3,323	\$(23,313)	\$ 18,630
Less accumulated depreciation for:				
Office furniture, fixtures and equipment	<u>(33,320)</u>	<u>(1,734)</u>	<u>23,313</u>	<u>(11,741)</u>
Total capital assets, net	<u>\$ 5,300</u>	<u>\$ 1,589</u>	<u>\$ -</u>	<u>\$ 6,889</u>

The Assessor removed \$23,313 of fully depreciated capital assets during the year.

Note 5 - RISK MANAGEMENT

The Board of Assessors carries insurance with a commercial insurance carrier. The policy protects the Assessor from any loss arising from claims related to theft, loss of assets, errors and omissions, or tort actions. There has been no significant reduction in insurance coverage from the prior year and settlements have not exceeded coverage in the past three years.

Note 6 - PENSION PLAN

The Louisiana Assessor's Retirement Fund is a multiple employer, statewide defined benefit pension plan which provides retirement allowances and other benefits for the Assessors and their permanent, full time employees.

Members with 30 years of creditable service may retire at age fifty and members with at least 12 years of service may retire at age fifty-five. The monthly retirement allowance is equal to 3% of the highest average monthly final compensation earned during any thirty-six consecutive months while employed multiplied by the member's years of creditable service not to exceed 100% of the member's monthly final compensation. The System also provides death and disability benefits. The fund is financed by employee contributions of 8% of salary and employer contributions that are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. However, each assessor may elect to pay all or any portion of the contribution required of the assessor's employees who participate in the fund. The sixth district assessor has elected to pay all of the contributions required by four employees. As of December 31, 2004, the current rate paid by the assessor was twenty-two percent, representing the eight percent employee contribution and fourteen percent determined by actuarial valuation. Total contributions for the three years ended December 31, 2004, 2003, and 2002, were \$30,170, \$30,000, and \$26,651, respectively.

Historical trend information showing the progress of the plan in accumulating sufficient assets to pay benefits when due may be found in the separately issued financial statements of the plan.

Note 7 - HEALTH CARE AND LIFE INSURANCE BENEFITS

The Assessor's office provides health care and life insurance benefits for active and retired employees. The Assessor pays the employee cost, active and retired, of such benefits. The cost of the plan is paid monthly to an insurance company that provides the benefits. The cost is recognized as expenditure when paid. There were four active employees and two retired employees participating in the plan as of December 31, 2004. The cost of providing benefits for the year was \$39,227 consisting of \$32,932 for the active employees and \$6,295 for the retired employees.

SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Janyce D. Degan, Assessor
6th Municipal District, Parish of Orleans
New Orleans, Louisiana.

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Assessor 6th Municipal District, Parish of Orleans (the Assessor) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Assessor's compliance with certain laws and regulations during the year ended December 31, 2004 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made for materials and supplies exceeding \$20,000 or public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the assessor, as well as their immediate families.

Management provided us with a statement that none of the employees of their immediate families had any outside business interests.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2), except for Albert L. Coman III who is the son of the assessor.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original and amended budget.

6. Trace the budget adoption and amendments to the minute book.

Due to the size of the office there are no board members, therefore, this question does not apply.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues exceeded budgeted revenues and actual expenditures did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

a) Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that the payments were for the proper amount and made to the correct payee.

b) Determine if payments were properly coded to the correct fund and general ledger account; and

All six payments were properly coded to the correct fund and general ledger account.

c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals by the Assessor.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

This office does not contain or require board members, therefore this requirement does not apply to this office.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

We inspected copies of bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances or gifts.

As stated in agreed-upon procedure (6) above there are no minutes. We inspected payroll records for the year and noted no instances which would indicate payments of bonuses, advances, or gifts to employees.

Our prior year report, dated June 1, 2004, did not include any comments or unresolved matters.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Assessor and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
May 12, 2005.

REPORT BY MANAGEMENT

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

5/12/05 (Date Transmitted)

BOURGEOIS BENNETT

HERITAGE PLAZA, 17th FLOOR

111 VETERANS BLVD.

METAIRIE, LOUISIANA 70005

(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes ☒ No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No ☒

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No []

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92 as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☐ No ☐

Debt

N/A

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

James D. Dejean

Assessor, 69 N. B. 5
Secretary, 5/12/05

Date

Treasurer

Date

President

Date